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Programme budget for the biennium 2000-2001

First performance report on the programme budget for the biennium 2000-2001

Sixth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the first performance report of the Secretary-General on the programme budget for the biennium 2000-2001 (A/55/645 and Corr.1). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. In accordance with the recommendations of the Advisory Committee, endorsed by the General Assembly at its thirty-second session, the performance report identifies adjustments required owing to variations in the rates of inflation and exchange and in standards assumed in the calculation of the initial appropriations. The performance report also takes into account the additional mandates that the General Assembly and Security Council have approved after the appropriation of the programme budget, unforeseen and extraordinary items that could not be deferred to the second year of the biennium and decisions of policy-making organs that, in the view of the Secretary-General, are best dealt with in the context of the first performance report.

3. The current estimates of revised requirements under the expenditure sections of the programme budget for the biennium 2000-2001[1] amount to $2,495,196,300, as indicated in paragraph 5 of the performance report. These provide for a reduction of $40,492,900 compared with the appropriation of $2,535,689,200 approved by the General Assembly in its resolution 54/250 A of 23 December 1999.

4. As can be seen from the table in paragraph 5 of the report, the reduction of $40,492,900 in expenditures reflects the effect of the anticipated reduction of $66,265,200 resulting from favourable changes in exchange rates. This reduction is somewhat offset by additional requirements of $10,987,900 related to commitments authorized under the terms of General Assembly resolution 54/252 of 23 December 1999 concerning unforeseen and extraordinary expenses; $3,633,700 resulting from decisions of policy-making organs after the adoption of the programme budget; $1,913,200 owing to changes in inflation assumptions; and $8,623,300 attributable to adjustments to standard salary costs.

5. In paragraphs 8 to 10 of the performance report, information is provided concerning the additional requirements of $10,987,900 resulting from unforeseen and extraordinary expenses that fall under the terms of General Assembly resolution 54/252. Of the total, commitments were entered into in the following amounts: (a) $7,233,400 certified by the Secretary-General as relating to the maintenance of peace and security; (b) $3,396,500 concurred in by the Advisory

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Committee in respect of decisions by the Security Council; (c) $345,000 certified by the International Court of Justice as relating to unforeseen expenses in respect of the Court; and (d) $13,000 for inter-organizational security measures.

6. An explanation of the additional requirements of $3,633,700 related to decisions of policy-making organs is given in paragraphs 11 to 17 of the report. These include amounts related to the implementation of General Assembly resolution 54/254 of 15 March 2000 concerning the Millennium Summit ($1,643,000); Assembly resolution 54/283 of 5 September 2000 in which the Assembly decided to convene a special session on the human immunodeficiency virus/acquired immunodeficiency syndrome ($1,628,900); Assembly resolution 54/265 of 15 June 2000 on strengthening the capacity of the Non-Governmental Organizations Section ($124,900); and Assembly resolution 53/242 of 28 July 1999 concerning, inter alia, the global environmental forum/special session of the Governing Council of the United Nations Environment Programme ($236,900). In connection with the latter, the Advisory Committee notes the statement in paragraph 17 of the report that, owing to an oversight, no statement of programme budget implications was submitted prior to the adoption of resolution 53/242. **While the Committee recognizes that this represents an anomaly rather than a trend, it expects that care will be taken to avoid such a situation in future.**

7. The Advisory Committee was informed of the potential for additional requirements of $35,477,600 relating to revised estimates of the Secretary-General and statements of programme budget implications to be considered by the General Assembly at its current session (see annex I below). These include revised estimates relating to the Office of the United Nations Security Coordinator, the International Court of Justice, implementation of the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809), and resolutions of the Economic and Social Council, and statements of programme budget implications of draft resolutions relating to the proposed commission of inquiry on Palestine, the International Research and Training Institute for the Advancement of Women, the United Nations Institute for Research and Training, and the Third United Nations Conference on the Least Developed Countries, as well as mandates of the Assembly and the Security Council for special political missions (see para. 16 below). Under the current procedures, the financing of the above additional requirements will be dealt with separately by the General Assembly before the end of 2000. The Committee wishes to point out, however, that in its consideration of some of the above issues, it has recommended approval of significantly lower levels of additional resources. If the Committee's recommendations are approved by the General Assembly, the figure of $35.5 million may be reduced considerably.

8. In addition, the Advisory Committee has recommended inclusion of an additional $8 million under section 31, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2000-2001 for implementation of the capital master plan (see A/55/675 and Corr.1).

9. Paragraphs 18 to 20 of the performance report provide information on the reduction of $66,250,000 in requirements resulting from favourable exchange rate fluctuations. As indicated in paragraph 18 of the report, the reduction reflects the application to 2000 of the realized exchange rate from January to November 2000, and the application of the November rate to December 2000 and all of 2001. The Advisory Committee notes that the methodology used by the Secretary-General in recosting the impact of exchange rate fluctuations is in conformity with the recommendation of the Committee that the Secretary-General should use such operational rates of exchange in its recosting exercises as would allow for the lowest estimates (A/51/7/Add.6, para. 5). Schedule 3 of the report provides detailed information on the operational rates of exchange in 2000 for all main duty stations. The Committee also notes that, as stated in paragraph 18 of the report, adjustments resulting from actual experience in 2000 will be reflected in the second performance report.

10. The Advisory Committee was provided with a chart tracking the movement of the dollar against the Swiss franc from January 1996 to July 2000 (see annex II below).

11. As indicated in paragraph 21 of the report, the application of revised inflation rates results in an increase of $1,913,200 in requirements. The revised rates are based on promulgated post adjustment multipliers and the latest information available on consumer price indices. The Advisory Committee

notes, as indicated in paragraph 22, that the most significant change in non-post objects of expenditure relates to high inflationary costs associated with, among other things, the higher price of fuel worldwide. Schedules 1, 2 and 4 of the report contain detailed information on the revised inflation rates for all main duty stations.

12. The increased requirements of $8,623,300 attributable to adjustments to standard salary costs are detailed in annex I.A to the report. These requirements reflect the combined effect of a number of factors, some of which are described in paragraphs 24 to 32 of the report.

13. With regard to vacancy rates, the Advisory Committee notes from paragraph 28 of the report that the vacancy rate for staff in the Professional category and above has slightly exceeded 8 per cent. In this connection, the Committee recalls that the vacancy rate approved by the General Assembly in its resolution 54/249 of 23 December 1999 was 6.5 per cent for Professional staff. As indicated in paragraph 29, the vacancy rate varies considerably between budget sections and duty stations, with the highest relating to budget section 16, Economic and social development in Africa, section 25, Humanitarian assistance, and section 28, Internal oversight. The Committee takes note of the steps taken by the Economic Commission for Africa to address the vacancy situation, as described in paragraphs 29 and 30 of the report. The Committee notes with concern that this situation has been ongoing for some time, and expresses the hope that efforts in this regard will be sustained until the situation is ameliorated (see also A/55/643, para. 16). Upon request, the Committee was provided with additional information concerning vacancy rates as at June 2000 (see annex III below). The Committee requested but did not receive information on the recruitment status of new posts approved by the General Assembly for the biennium 2000-2001. That information should be provided to the Fifth Committee. **Moreover, on the basis of the information given to the Committee, it requests that the standard for reporting on the vacancy situation be harmonized so that a consistent methodology is applied.**

14. In paragraphs 34 to 43, a number of specific issues are discussed relating to resolutions of the General Assembly or matters raised in accordance with procedures previously approved by the Assembly. Among them are: additional requirements of $15,200 under section 11B, International Trade Centre UNCTAD/WTO, for the upward reclassification of one P-2 post and two P-3 posts; additional requirements of $61,600 under section 17, Economic and social development in Asia and the Pacific, for the reclassification of a General Service post to the P-2 level;[2] information on the redeployment of funds within section 26, Public information; and requirements of $517,600 ($260,000 for 2000 and $257,600 for 2001) under section 29, Jointly financed administrative activities, to fund the United Nations contribution to the International Systems Coordination Committee.

15. The Advisory Committee notes that a total requirement of $17,069,400 for 2001 is indicated in paragraph 44 and annex III to the report in connection with actions taken by the Security Council regarding good offices, peacemaking and preventive diplomacy missions on the basis of requests from Governments and/or recommendations of the Secretary-General. The requirements would be charged against the unallocated balance of $24,312,600 of the provision for special political missions of $90,387,200 under section 3, Political affairs, of the programme budget for the biennium 2000-2001, leaving a balance of $7,243,200 (see also A/C.5/55/27, para. 11).

16. The Advisory Committee was provided with additional information concerning preliminary estimated additional requirements resulting from General Assembly and Security Council mandates for special political missions currently under consideration (see annex IV below). The Committee notes from the information provided that the estimated additional requirements for special political missions amount to approximately $22.1 million over the provision of $90,387,200 in the initial appropriation, for a total of approximately $112.5 million. The Committee points out that, in its report on the budget outline for the biennium 2000-2001, requirements related to special political missions were estimated at $112.6 million (A/53/718 and Corr.1, para. 4).

17. Paragraphs 46 to 48 of the report deal with revised requirements under income sections of the programme budget for the biennium 2000-2001. As can be seen, an increase of $13.2 million under income section 1, Income from staff assessment, and an increase of $5.5 million under income section 2, General income, are offset in part by a net decrease of

$448,500 under income section 3, Services to the public, resulting mainly from exchange rate factors.

18. The Advisory Committee was informed that the dollar had weakened against a number of currencies, resulting in a lower operational rate of exchange for the month of December 2000. The Committee was also informed that, as the performance report had been prepared on the basis of the rate for November, a recosting was being prepared using the December rate. The recosting, which was described in an addendum to the report of the Secretary-General subsequent to the meetings of the Committee, indicates revised estimated requirements of $2,501,047,000 under the expenditure sections (see A/55/645/Add.1, para. 3). That amount represents a reduction of $34,642,200 as compared with the initial appropriation of $2,535,689,200. Revised requirements under the income sections amount to $380,395,900.

19. **Accordingly, subject to its observations in paragraphs 7 and 8 above, the Advisory Committee recommends approval of the revised requirements of the Secretary-General, namely, $2,501,047,000 under the expenditure sections and $380,395,900 under the income sections, resulting in net revised requirements of $2,120,651,100, an amount which is $53,739,200 less than the initial appropriation**. The Committee points out that these revised requirements will be adjusted to take into account the decisions of the General Assembly on the additional requirements referred to in paragraphs 7 and 8 above.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1).

[2] The Advisory Committee notes that the action taken by the Secretary-General to reclassify this post is in accordance with the procedure recommended by the Committee and approved by the General Assembly in its resolution 50/214 of 23 December 1995.

Annex I

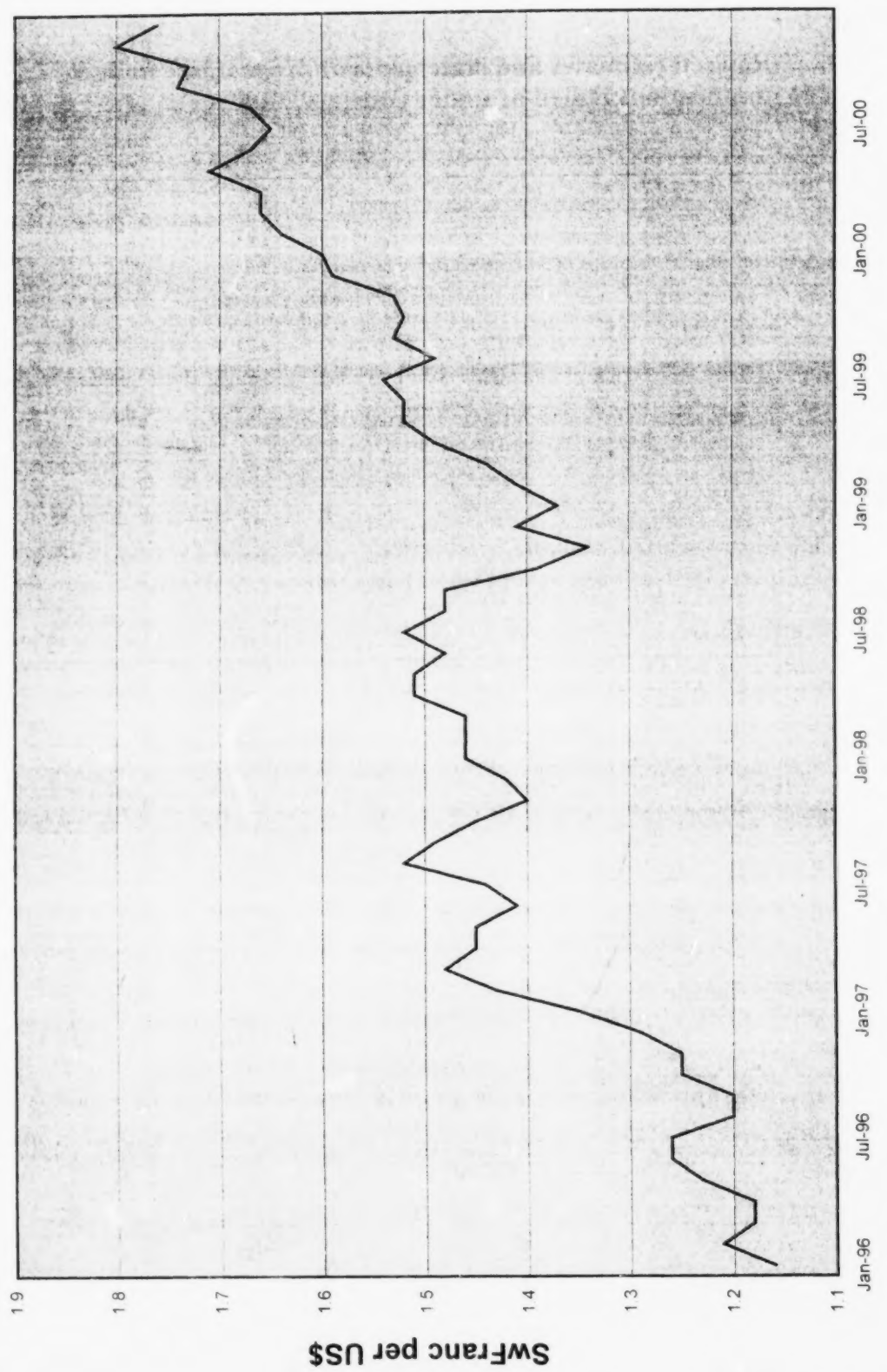
Revised estimates and statements of programme budget implications issued or under consideration

(United States dollars)

Revised estimates, United Nations Security Coordinator (A/55/494)	3 083.7
Revised estimates under section 7, International Court of Justice (A/C.5/55/21)	737.3
Revised estimates, report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809, A/55/502, A/55/507 and Add.1)	7 527.3
Revised estimates, Economic and Social Council (A/C.5/55/25 and Corr.1 and Add.1)	114.8
Programme budget implications, Commission of inquiry on Palestine (A/C.5/55/25/Add.1)	741.6
Programme budget implications, United Nations International Research and Training Institute for the Advancement of Women (A/C.5/55/26)	800.0
Special political missions in excess of $90 million (various reports issued and to be issued)	22 111.9
Programme budget implications, United Nations Institute for Training and Research rental (A/C.2/55/L.49)	113.0
Programme budget implications, Third United Nations Conference on the Least Developed Countries (A/C.2/55/L.50)	248.0
Total	**35 477.6**

Annex II

Movement of the dollar against the Swiss franc



Annex III

Vacancy statistics of posts authorized under the regular budget

(as at June 2000)

Budget section	Professional			General Service			Total		
	Authorized	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*
1. Overall policy-making, direction and coordination	60	4	6.7	75	1	1.3	135	5	3.7
2. General Assembly affairs and conference services	910	15	1.6	955	3	0.3	1 865	18	1.0
3. Political affairs	129	15	11.6	114	6	5.3	243	21	8.6
4. Disarmament	30	1	3.3	18	0	0.0	48	1	2.1
5. Peacekeeping operations	43	7	16.3	311	12	3.9	354	19	5.4
6. Peaceful uses of outer space	13	1	7.7	5	0	0.0	18	1	5.6
7. International Court of Justice	26	1	3.8	35	0	0.0	61	1	1.6
8. Legal affairs	81	9	11.1	63	1	1.6	144	10	6.9
9. Economic and social affairs	287	27	9.4	230	5	2.2	517	32	6.2
10. Africa: New Agenda for Development	14	1	7.1	9	1	11.1	23	2	8.7
11. Trade and development	231	25	10.8	170	7	4.1	401	32	8.0
12. Environment	22	0	0.0	17	1	5.9	39	1	2.6
13. Human settlements	42	1	2.4	24	0	0.0	66	1	1.5
14. Crime prevention and criminal justice	19	0	0.0	5	0	0.0	24	0	0.0
15. International drug control	47	0	0.0	24	0	0.0	71	0	0.0
16. Economic and social development in Africa	221	72	32.6	349	54	15.5	570	126	22.1
17. Economic and social development in Asia and the Pacific	173	17	9.8	295	19	6.4	468	36	7.7
18. Economic development in Europe	115	5	4.3	81	1	1.2	196	6	3.1
19. Economic and social development in Latin America and the Caribbean	181	1	0.6	310	5	1.6	491	6	1.2
20. Economic and social development in Western Asia	103	14	13.6	163	5	3.1	266	19	7.1
22. Human rights	96	9	9.4	52	1	1.9	148	10	6.8
23. Protection of and assistance to refugees	89	7	7.9	131	3	2.3	220	10	4.5
24. Palestine refugees	87	14	16.1	11	0	0.0	98	14	14.3
25. Humanitarian assistance	37	6	16.2	17	0	0.0	54	6	11.1
26. Public information	265	12	4.5	470	10	2.1	735	22	3.0
27. Management and central support services	364	36	9.9	1 220	4	0.3	1 584	40	2.5

Budget section	Professional			General Service			Total		
	Authorized	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*	*Authorized*	*Vacant*	*Rate*
28. Internal oversight	59	9	15.3	28	1	3.6	87	10	11.5
Subtotal	**3 744**	**309**	**8.3**	**5 182**	**140**	**2.7**	**8 926**	**449**	**5.0**
Income section 3									
Services to the public	23	4	17.4	109	6	5.5	132	10	7.6
Subtotal	**23**	**4**	**17.4**	**109**	**6**	**5.5**	**132**	**10**	**7.6**
Grand total	**3 767**	**313**	**8.3**	**5 291**	**146**	**2.8**	**9 058**	**459**	**5.1**

Annex IV

Special political mission requirements in excess of $90 million

(in United States dollars)

General Assembly mandates	
United Nations Verification Mission in Guatemala	8 992.1[a]
Central American peace process	191.8
United Nations Special Mission to Afghanistan	6 315.6
Subtotal	**15 499.5**
Security Council mandates	
United Nations Assistance to the Facilitator of the Burundi Peace Process	60.6
United Nations Office in Burundi	2 851.5
United Nations Political Office in Bougainville	1 210.6
Adviser of the Secretary-General for Special Assignments in Africa	741.9
Special Envoys of the Secretary-General for the Balkans	1 067.9
Special Adviser of the Secretary-General on Cyprus	679.8
Subtotal	**6 612.3**
Total	**22 111.9**

[a] Residual uncommitted balance of the original $90 million provision for special political missions.